



# Kazakhstan Business Activity Index

December 2021







# CONTENT

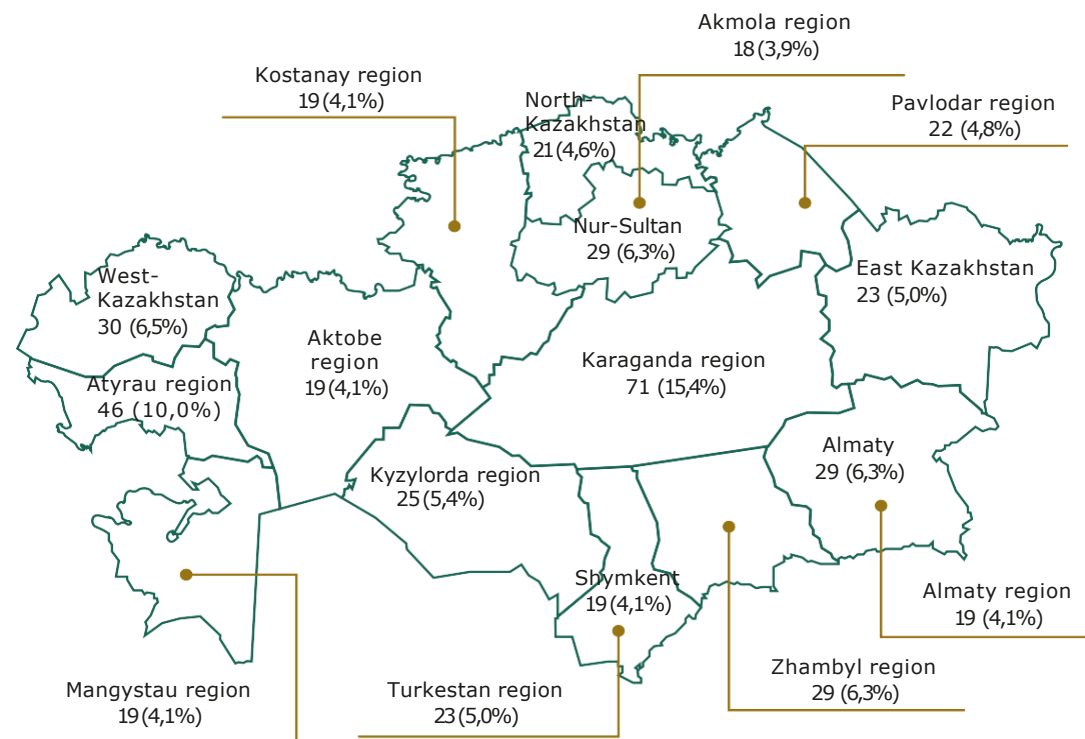
- 01** Sample information
- 02** Consolidated BAI by economy
- 03** Business Activity Index by sector
- 04** Business Activity index by Kazakhstan regions
- 05** PMI by country
- 06** Business Climate Index



# 01

## SAMPLE INFORMATION

Number of respondents in December 2021 - 461 enterprises

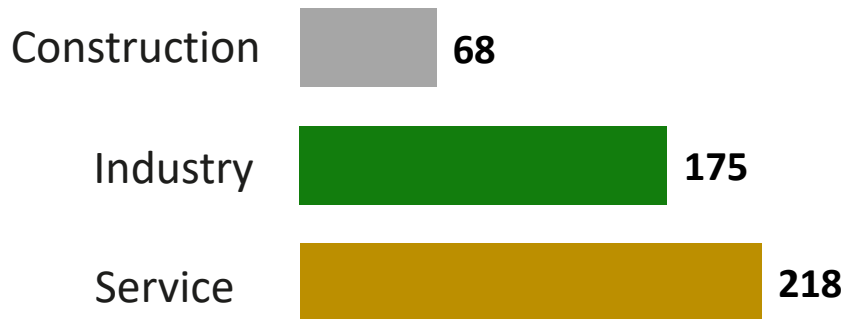


- *The business activity index is a composite indicator that includes the aggregate of enterprises' answers to questions regarding the actual changes in the economic indicators of enterprises and the expectations regarding their changes in the future.*
- *The National Bank of Kazakhstan conducts a survey of enterprises participating in the monitoring of the real sector on a monthly basis*

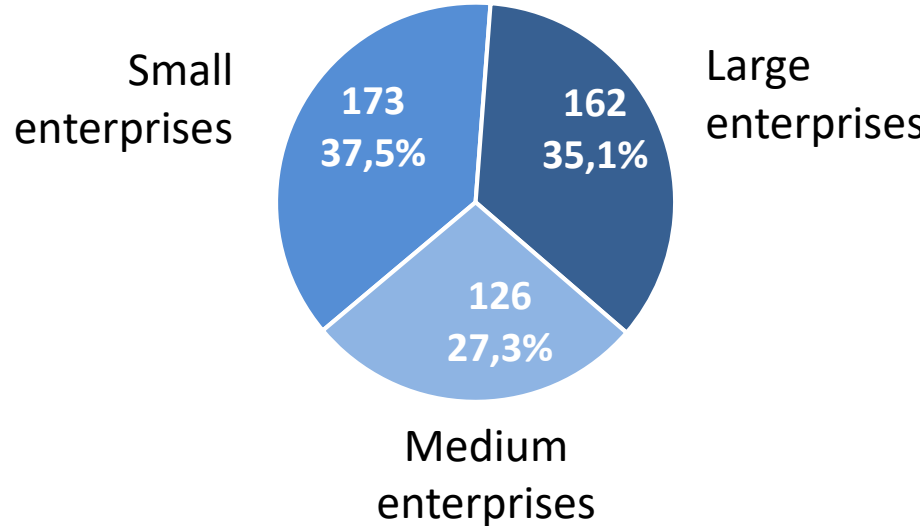




## ENTERPRISES-RESPONDENTS BY SECTOR



## ENTERPRISES-RESPONDENTS BY SIZE



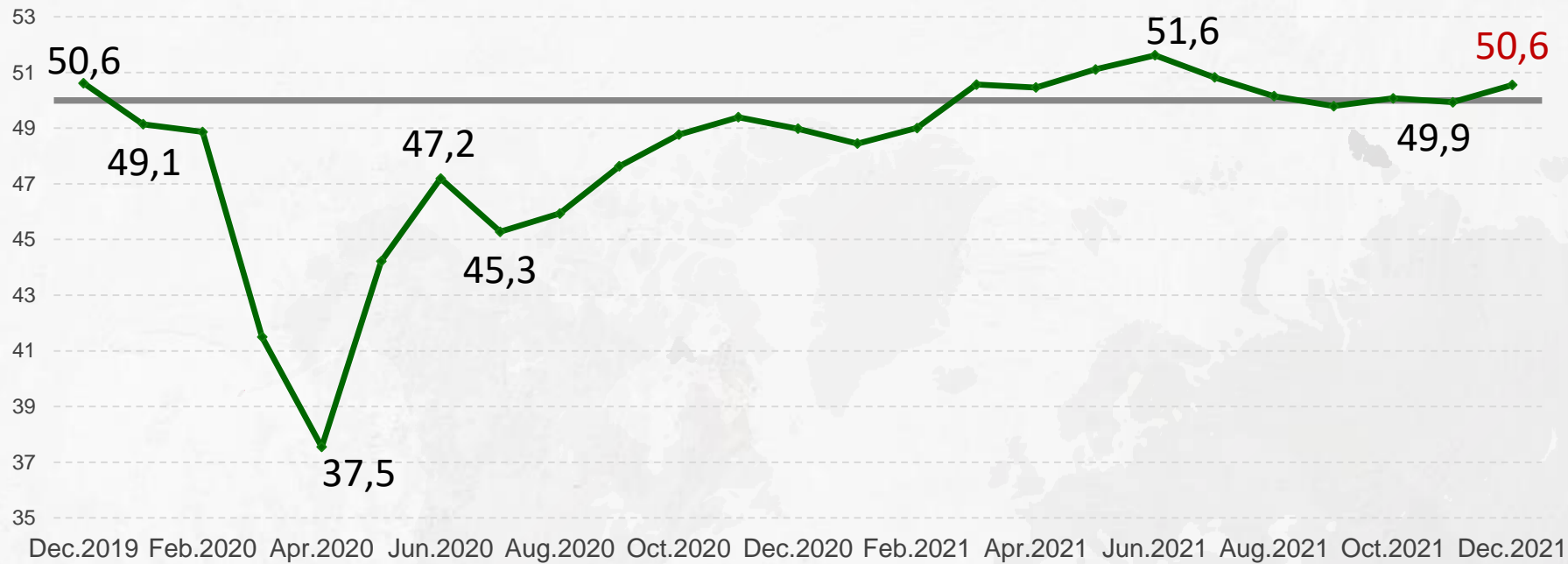


## 02

CONSOLIDATED BUSINESS  
ACTIVITY INDEX BY  
ECONOMY



# CONSOLIDATED BUSINESS ACTIVITY INDEX (BAI) BY ECONOMY



According to the results of a monthly survey of 461 enterprises in the real sector in December 2021 the business activity index moved to the positive area, making **50,6** (in November - 49,9).

In the service sector the index formed at **50,4**, in industry - **50,7**, in construction - **51,3** (in November - 49,3, 50,8, 49,9, respectively).

\* A value of the indicator above level 50 means a positive change, below level 50 - a negative. The further (higher or lower) the index value is from the 50 level, the higher the rate of change (increase or decrease) of the indicator.



The consolidated business activity index by the economy is an aggregate index for three sectors of the economy, weighted by the contribution to GVA



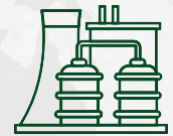
BAI  
by economy  
**50,6**



BAI  
in construction  
**51,3**



BAI  
in service  
**50,4**



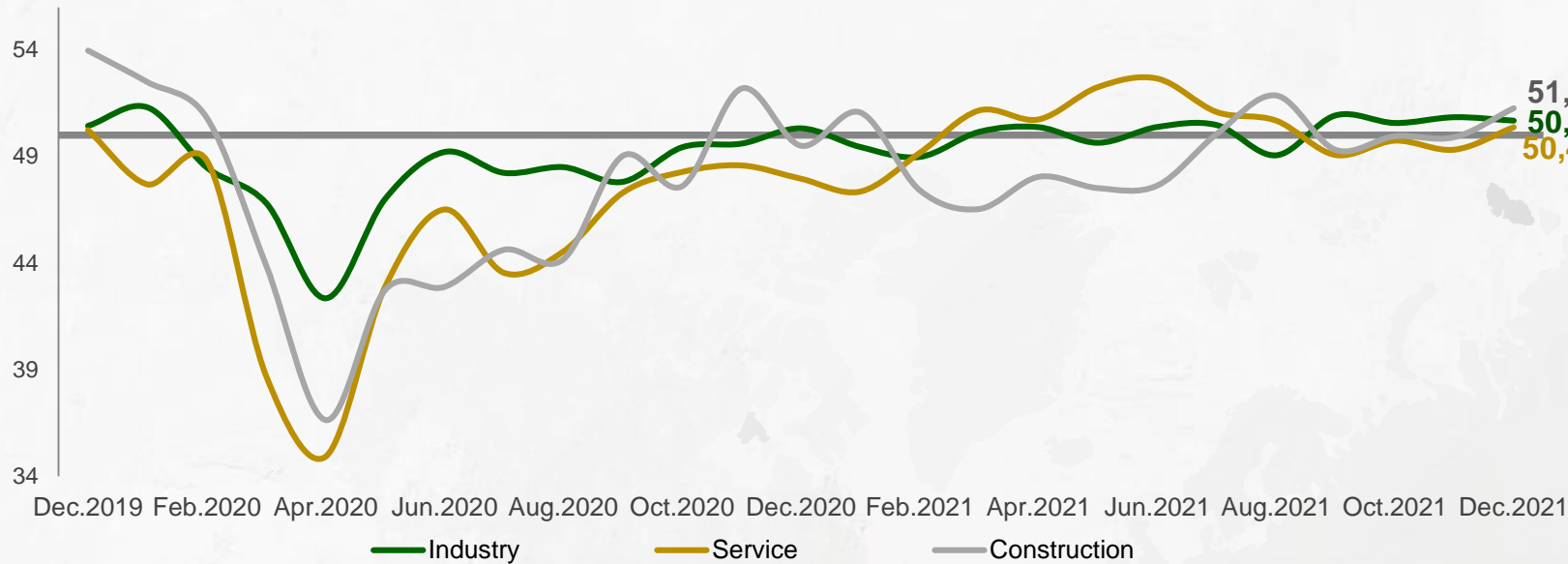
BAI  
in industry  
**50,7**



# 03

BUSINESS ACTIVITY  
INDEX BY SECTOR

# BUSINESS ACTIVITY INDEX (BAI) BY SECTOR



Business activity improved in all sectors: index was above 50 in all sectors.

In construction and service sectors the index moved from the negative area to the positive, and amounted to 51,3 and 50,4, respectively. The indicators improved mainly due to the increase in the volume of new orders in these sectors.

In the manufacture the value of the index stayed almost unchanged – 50,7.

\* A value of the indicator above the 50 level means a positive change, below the 50 level - a negative one. The further (higher or lower) the value of the index from the level 50, the higher the rate of change (increase or decrease) of the indicator.



BAI by sector is calculated as an aggregated change in the following indicators of the enterprises

Business Activity Index in industry

- Inventories
- New products
- Delivery time
- Employment rate
- New orders
- Business activity

Business Activity Index in construction

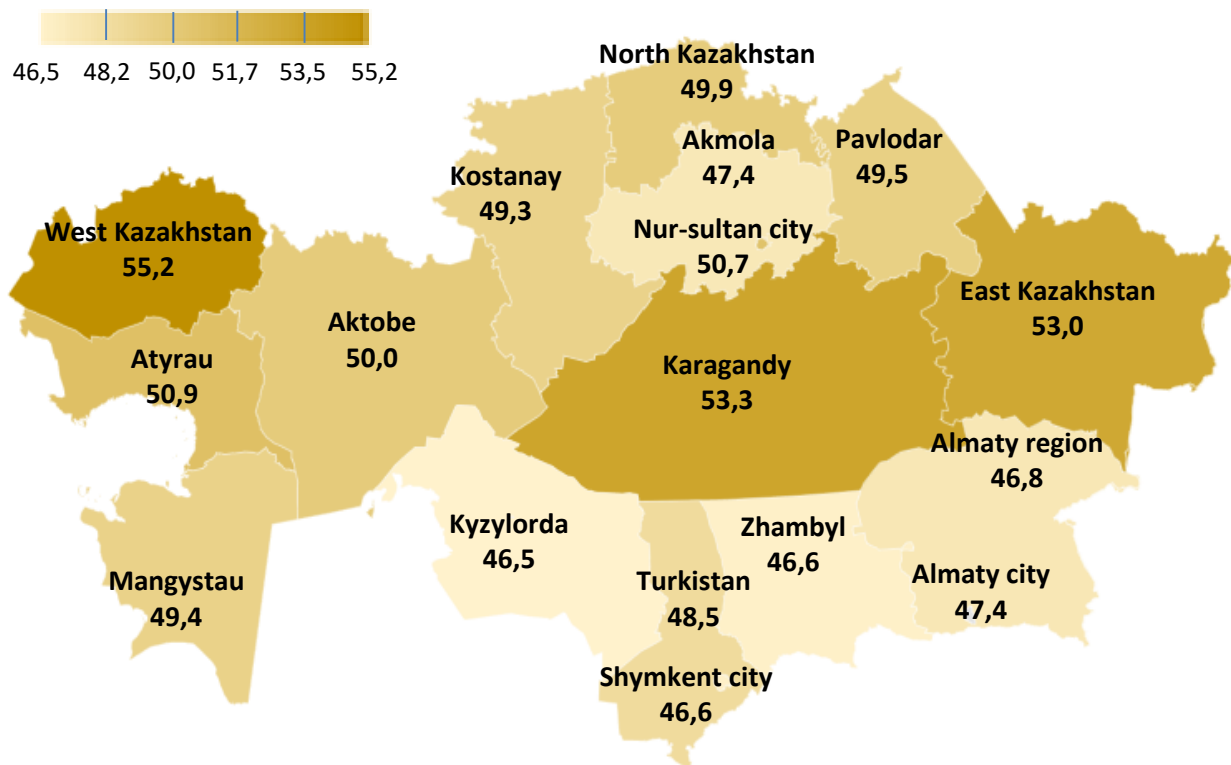
Business Activity Index in Service



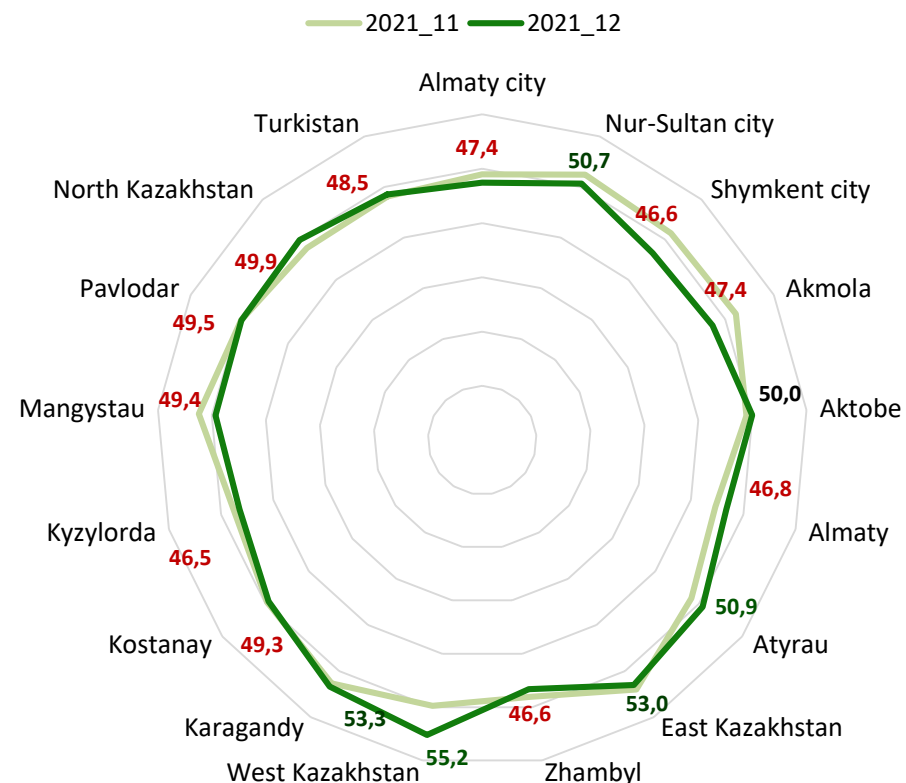
# 04

## BUSINESS ACTIVITY INDEX BY REGIONS

### BAI in December 2021 by region



### BAI dynamics for November - December 2021



In the context of the regions, an improvement in the business activity was observed in 5 regions of Kazakhstan: West Kazakhstan (**55,2**), Karagandy (**53,3**), East Kazakhstan (**53,0**), Atyrau (**50,9**) regions and Nur-Sultan city (**50,7**).

The deterioration of the business activity was observed in 11 regions of Kazakhstan: Kyzylorda region (**46,5**), Shymkent city (**46,6**), Zhambyl (**46,6**), Almaty (**46,8**), Akmola (**47,4**) regions, Almaty city (**47,4**), Turkistan (**48,5**), Kostanay (**49,3**), Mangystau (**49,4**), Pavlodar (**49,5**) and North Kazakhstan (**49,9**) regions.

In Aktope region, according to the respondents, business activity has not changed (**50,0**).

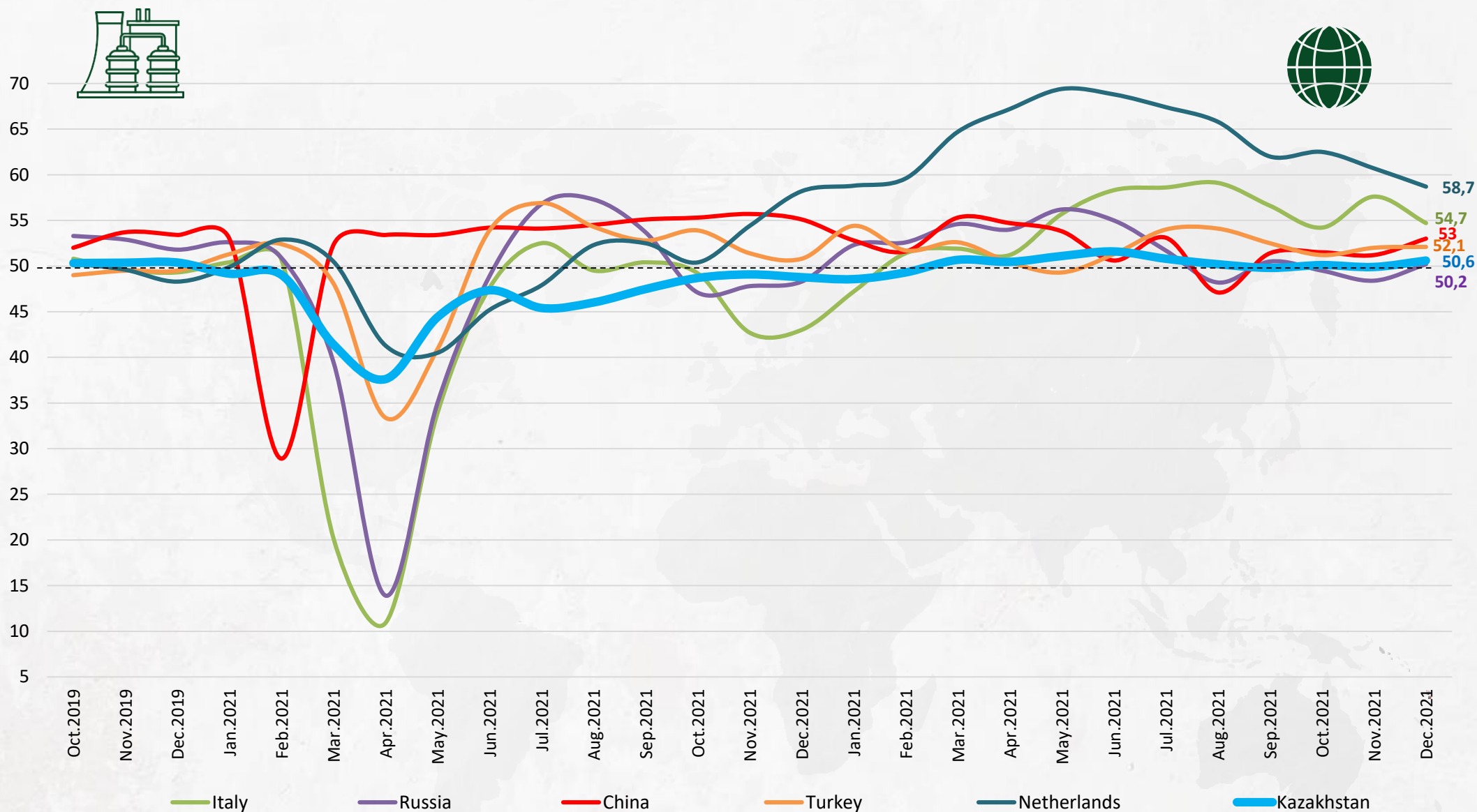


**05**

**PMI BY COUNTRY**



# DYNAMICS OF COMPOSITE PMI BY COUNTRIES, MAJOR TRADING PARTNERS OF KAZAKHSTAN



Data as for 07.01.2022

Sources: Thomson Reuters; <https://tradingeconomics.com>

Industry PMI for Turkey and the Netherlands



# 06

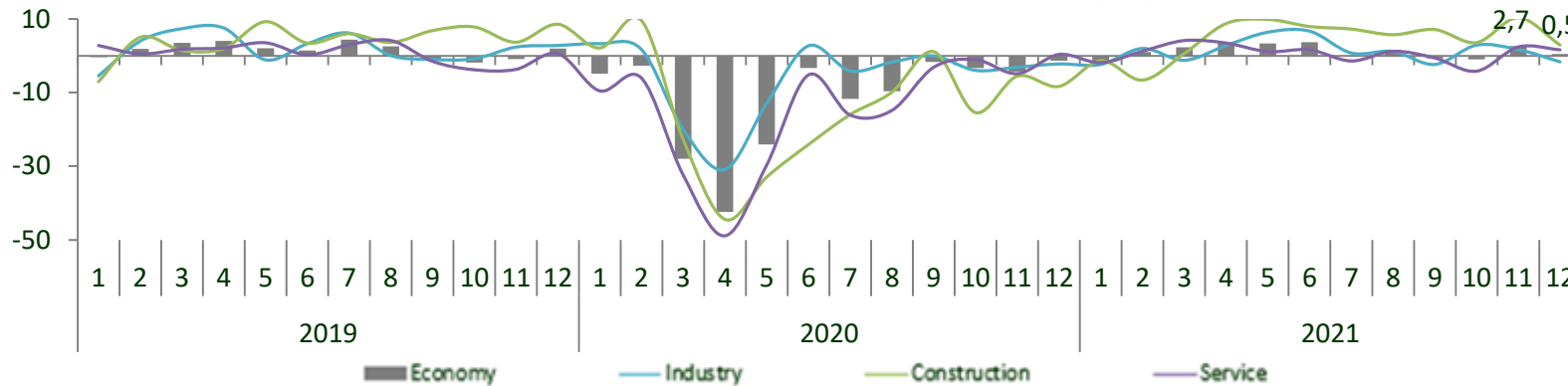
## BUSINESS CLIMATE INDEX (BCI)



# BUSINESS CLIMATE INDEX (BCI)

## Current situation assessment

Current situation assessment, balance of answers (BA)\*

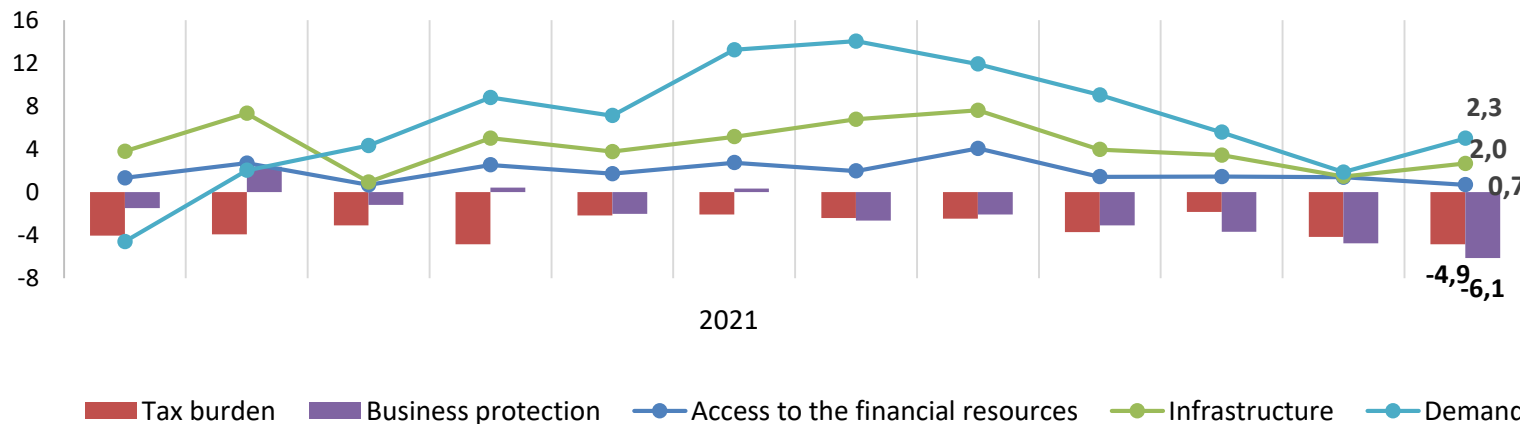


\*Balance of answers (BA) is difference between positive and negative answers. Enterprises asked to assess the current business situation choosing one of the given answers «favorable», «unfavorable» and «neutral». Answers are weighted by respondents' size.  
If index is above 0 improvement, if below 0 – worsening.

In December 2021 the assessment of the current business conditions was almost neutral: the balance of answers (BA\*) amounted **0,5** (in November **2,7**). The indicator changed because of the decrease in industry and slowdown in construction.

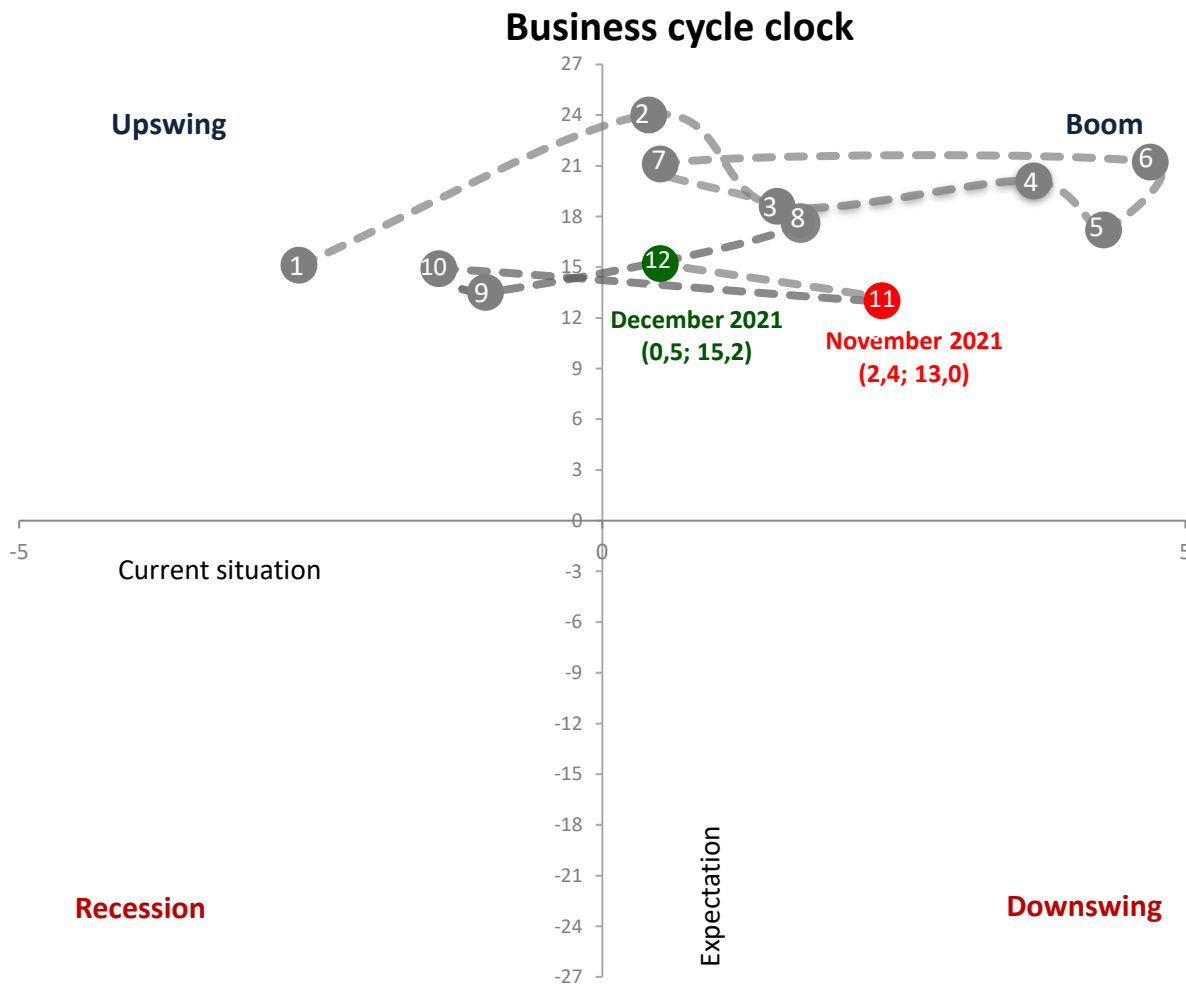
There was an increase in the number of enterprises indicating the worsening of tax burden (-4,9) and business protection (-6,1). At the same time slight improvement was noted in the assessment of factors as the access to finance/loans (**2,3**) and infrastructure (**2,0**). The factors of demand for products/services stayed almost unchanged (**0,7**).

Factors of business climate assessment, BA\*



# BUSINESS CLIMATE INDEX (BCI)

## Business cycle clock



Economy  
BCI  
7,7



Construction  
BCI  
5,5



Service  
BCI  
8,0



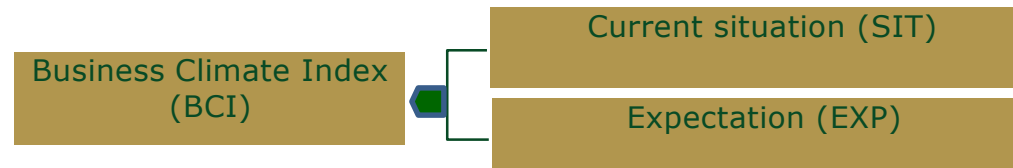
Industry  
BCI  
7,6

In December 2021 the balance of answers of the **current** business conditions assessment was **0,5** (in November 2,7). The balance of answers on **expectations** for the next **6 months** was **15,2** (in November - 13,0). Despite the decrease in the assessment of current situation the indicator of business cycle "clock" left in the area of **boom**.

The **business climate index**, which is an average assessment of current and future business conditions, improved slightly, amounting to **7,7** (in November - 7,6). The increase in the BCI was related with an increase in the confidence about future business conditions (from 13,0 to 15,2). In construction BCI was 5,5. The indicators in service and industrial sectors were 8,0 and 7,6, respectively.



\*BCI is geometrical mean of current situation assessment and expectation



$$BCI^* = \sqrt{(BA(SIT) + 200) * (BA(EXP) + 200)} - 200$$

where, BA - balance of answers  
SIT - current economic condition  
EXP - expected economic condition





## METHODOLOGICAL COMMENT

- ✓ The information was prepared based on the results of monthly surveys of enterprises participating in the monitoring of the real sector.
- ✓ To calculate the Business Activity Index, the diffusion index (DI) is used, which is calculated as the sum of positive responses share and half of the unchanged responses share. This index is a generalized indicator characterizing the dynamics of changes in the indicator.
- ✓ The data on the diagram are presented with the elimination of the seasonality factor.
- ✓ Changes are possible in the previous months dynamics due to seasonal clearing and GVA adjustment.
- ✓ The Business Climate Index and Business Cycle Clock are constructed using the methodology of Ifo institute, Germany.

Monetary Policy Department  
NATIONAL BANK OF KAZAKHSTAN